

Consolidated Cash Flow Statement

For the year ended 31 March 2004

	Notes	2004 HK\$'000	2003 HK\$'000
OPERATING ACTIVITIES			
Loss before taxation		(60,475)	(46,335)
Adjustments for:			
Interest income		–	(4,087)
Interest expenses		1,663	10,697
Dividend income		(486)	(840)
Amortisation of issue costs of convertible notes		11	–
Depreciation		128	69
Realised loss on trading securities		18,907	1,584
Unrealised (gain) loss on trading securities		(2,647)	12,092
Deficit arising from revaluation of investment properties		5,689	–
Impairment loss recognised in respect of investments in securities		25,800	1,001
Impairment loss recognised in respect of land held for development		–	9,765
Gain on disposal of interest in an associate		–	(38,442)
Share of results of an associate		–	44,603
Loss on legal proceedings		1,156	30,906
Amount received in connection with legal proceedings		–	(29,790)
Loss on disposal of subsidiaries		5,829	–
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Operating cash flows before movements in working capital		(4,425)	(8,777)
Decrease in other receivables, deposits and prepayments		49	857
Decrease in amount due from an associate		–	35
Decrease in other payables and accrued charges		(495)	(10,794)
Decrease in amounts due to directors		(437)	(86)
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Net cash used in operations		(5,308)	(18,765)
Interest received		–	4,087
Dividend received		486	840
Other taxation paid		(31)	–
Amounts paid on legal proceedings		(1,156)	(4,767)
Amounts received on legal proceedings	8	–	29,790
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NET CASH (USED IN) FROM OPERATING ACTIVITIES		(6,009)	11,185

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For the year ended 31 March 2004

	Notes	2004 HK\$'000	2003 HK\$'000
INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(7)	(370)
Deposits paid on acquisition of convertible notes		(20,000)	-
Increase in land held under development		-	(2,765)
Purchase of investments in securities		(47,067)	(108,387)
Acquisition of subsidiaries (net of cash and cash equivalents acquired)	24	(26,985)	-
Disposal of subsidiaries (net of cash and cash equivalents disposed of)	9	41,924	-
Proceeds from disposal of interest in an associate	7	-	286,572
Proceeds from disposal of investments in securities		-	11,857
		<u>(52,135)</u>	<u>186,907</u>
NET CASH (USED IN) FROM INVESTING ACTIVITIES			
FINANCING ACTIVITIES			
Interest paid		(1,547)	(10,319)
New other borrowings raised		21,000	-
Repayment of other borrowings		(21,000)	(187,010)
Proceeds on issue of convertible notes		22,000	-
Proceeds from issue of shares		43,357	-
		<u>63,810</u>	<u>(197,329)</u>
NET CASH FROM (USED IN) FINANCING ACTIVITIES			
NET INCREASE IN CASH AND CASH EQUIVALENTS			
		5,666	763
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR			
		<u>827</u>	<u>64</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR, REPRESENTING BANK BALANCES AND CASH			
		<u><u>6,493</u></u>	<u><u>827</u></u>